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22. *Amount due to defaulting subscriber how dealt with.*—When a substituted subscriber draws the prize amount, the defaulting subscriber shall be entitled to recover from the foreman his contributions subject to such deductions as may be provided for in the chit agreement. The foreman shall on demand made by the defaulting subscriber and on his executing an acknowledgment duly signed be bound to pay to the defaulting subscriber the amount due to him before the date of the next succeeding instalment of the defaulting subscriber fails to furnish the acknowledgment as aforesaid, the foreman shall, before the date of the next succeeding instalment, deposit in an approved bank the amount due to the defaulting subscriber. The amount so deposited shall not be withdrawn by the foreman for any purpose other than for payment to the defaulting subscriber.

CHAPTER V.

Prized subscribers.

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23. *Prized subscriber to give security.*—Before receiving the prize amount without deducting all future subscriptions, every prized subscriber shall furnish and the foreman shall take sufficient security for the due payment of future subscriptions and if the foreman is the prized subscriber, he shall give security for the due payment of future subscriptions to the satisfaction of the Registrar.

24. *Prized subscriber to pay the subscription regularly.*—Every prized subscriber shall pay his subscriptions regularly at the time and place and on the date mentioned in the chit agreement and on his failure to do so, he shall be liable to make a consolidated payment of all the future subscriptions at once.

25. *Foreman to demand future subscriptions by written notice.*—(1) A foreman shall not be entitled to claim consolidated payment of all the future subscriptions from a defaulting prized subscriber unless he shall have demanded the same in writing.

(2) If in a suit by a foreman for consolidated payment of future subscriptions from a defaulting prized subscriber, the defendant pays into court on or before the date to which the suit is posted for hearing the arrears of subscriptions till that date together with interest thereon at the rate provided for in the chit agreement or at twelve per cent per annum simple interest whichever is lower, and the costs of the suit for payment to the plaintiff, then, notwithstanding any contract to the contrary, the court shall pass a decree directing that the defendant shall deposit in court for payment to the plaintiff, the future subscriptions on or before the dates on which they fall due and that, in default of payment by the defendant of any future subscription on or before the due date, the plaintiff shall be at liberty to realize in execution all the future subscriptions and interest thereon, less the amount, if any already deposited by the defendant :

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Provided that if any such suit is upon a promissory note, no decree shall be passed under this sub-section unless such promissory note expressly states that the amount due under the promissory note is towards payment of subscriptions to the chit.

(3) Any person who holds an interest in the property furnished as security or any part thereof shall be entitled to make payment under sub-section (2).

(4) All consolidated payments of future subscriptions realized by a foreman shall be deposited in an approved bank before the date of the next succeeding instalment. The amount so deposited may be withdrawn only for payment of future subscriptions. When any property is acquired in lieu of the consolidated payment, it shall remain as security for the due payment of future subscriptions.

CHAPTER VI.

TRANSFER.

26. *Restrictions on transfer of right of foreman.*—(1) No transfer of the rights of a foreman to receive subscriptions from prized subscribers shall be made without the previous sanction in writing of the Registrar.

(2) Any such transfer of the rights of a foreman to receive subscriptions from a prized subscriber shall, if it is likely to affect prejudicially the interest of any non-prized subscriber or unpaid prized subscriber, be set aside on application by such subscriber to such officer as may be empowered by the Government in this behalf.

(3) When under sub-section (2) a transfer is disputed by a subscriber, the burden of proving that the foreman was in solvent circumstances at the time of the transfer and that the transfer is not likely to affect prejudicially the interest of any such subscriber is upon the transferee.

27. *Transfer of non-prized subscriber's rights to be in writing.*—Every transfer by a non-prized subscriber of his rights in the chit shall be in writing duly attested by at least two witnesses and shall be filed with the foreman.

28. *Recognition of transfer by the foreman.*—Every transfer under section 27 shall be recognized by the foreman, unless the transferee is not solvent or the transfer was effected with a view to defeat the provisions of any law.

29. *Entry of transferee's name in the book.*—Every transfer made under section 26 or section 27 shall be entered by the foreman in the books of the chit forthwith and a true copy of such entry shall be filed by the foreman with the Registrar within fourteen days from the date of such entry.

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